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C O N F I D E N T I A L SECTION 01 OF 04 DAMASCUS 000263

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SUBJECT: SYRIAN POLICY AFTER ARAB LEAGUE SUMMIT

Classified By: CDA Michael Corbin, American Embassy Damascus, Reasons  ${\bf 1}$  .4 b and d.

11. (C) Summary: Following in the footsteps of President al-Asad's relatively moderate rhetoric during the Arab League Summit, Syrian diplomacy over the last month appears to be in conflict avoidance mode, while hard-line policies on Lebanon continue. On April 19, Asad confirmed to a meeting of the Syrian Baath Party that Syria and Israel had exchanged messages regarding the possibility of peace negotiations, and sources are saying the SARG has urged Hizballah to delay any retaliation operations against Israel for the assassination of Hizballah's Imad Mugniyeh. SARG rhetoric regarding other Arab countries is notably less hostile, and Asad appears to be getting ready for a post-Summit swing through several North African and Gulf countries. We have also seen indications of Syria's desire to be seen as being constructive on Iraq. End Summary

Defusing Risk of War

- 12. (C) Reacting to Hizballah promises of revenge for Israel's alleged assassination of Imad Mugniyah and Israeli counter-threats, almost all of our Syrian contacts questioned us regularly about the likelihood of a regional conflict during late March and the first ten days of April. Much of this alarm stemmed from Israeli and other press reports about Israeli military exercises and public threats of Israeli retaliation against Hizballah. According to Orient Center Director Samir al-Taqi, the Syrian leadership received messages from Israel via the Turks claiming that Syria would not be immune from any conflagration stemming from a Hizballah attack on Israeli targets. While seasonal Israeli and Syrian military exercises continued, says al-Taqi, Syria quietly conveyed (through Ankara) to Israel its desire to avoid conflict and advised its Hizballah and Iranian allies that now would not be the right time to avenge Mugniyah. Although there remains considerable pressure within Hizballah to attack Israel, Hizballah SecGen Nasrallah and Iran's leadership have agreed to wait, at least for the present, reported al-Taqi.
- 13. (SBU) On April 19, President Asad told a gathering of the Baath Party Central Committee that the Syrian government had exchanged messages with Israel regarding the possibility of peace negotiations. Asad reaffirmed Syria's desire for comprehensive peace, stating that Israel was aware of what Syria needed to begin talks.
- 14. (C) With the immediate prospect of a conflict apparently

less likely, the Syrian regime is now focused on managing domestic challenges and "not making the external situation worse," assessed Al Hayat Damascus Bureau Chief Ibrahim Hamidi. Though Syria's positions on Lebanon, Palestinian issues, and Iraq are unlikely to change significantly, the government is adopting the type of rhetoric employed by President al-Asad during the Arab League Summit, he said. Hamidi said his recent conversations with Syrian officials indicated a strong desire to appear more cooperative, without changing the core substance of its policies. According to Hamidi, Syrian thinking during and after the summit reflected recognition that inter-Arab divisions were at the root of regional tensions. As a result, most of the after-Summit action items were focused on exploring rapprochement between Syria and Egypt, and Syria and Saudi Arabia, the former undertaken by the Algerians and the latter by the Kuwaitis.

Ongoing Tensions with Iran and Hizballah

15. (C) Still stung by the embarrassing assassination of Imad Mugniyeh, Damascus is still trying to smooth over ruffled relations with Iran and Hizballah, according to al-Taqi. The Syrian government's prolonged delay in releasing the results of its investigation of the assassination also has created tensions, as the Iranians are anxious to have the culprits (i.e., Israel) identified publicly. Iranian FM Mottaki's attendance as an observer at the Arab League Summit was not the high-level representation Iran had in mind when the two countries had discussed Iranian President Ahmedinejad's participation, but Mottaki had been the only observer present in a room close by the private

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session among heads of government and state. Still, according to Hamidi, Mottaki stirred controversy by publicly condemning the Arab League's canned language on the return of three former UAE islands seized by Iran in the 1970s. According to al-Taqi, these incidents shed a spotlight on tensions that continue to run through Syrian-Iranian-Hizballah relations, allowing the world a "momentary glimpse" of the day-to-day operations of Syria's relations with Iran.

(C) At the same time, Syrian officials are quietly hoping that Arab countries (especially Saudi Arabia and Egypt), which had criticized Syria for its proximity to Tehran, may be developing better relations with Iran, according to Hamidi. "The Syrian regime believes it picked the right side in this fight," and it may have concluded that the U.S. is leaving the Iran issue to Israel, asserted al-Taqi. If true, this situation could cause significant problems for the Saudis and Egyptians, he said. Al-Taqi suggested, however, that the SARG was trying to adopt a more nuanced approach that would avoid provoking more confrontation with key Sunni countries. "Bashar is committed to his relationship with Iran" but now seems to grasp the importance of good relations with the Arab world "like his father cultivated, " said al-Taqi.

Appeasing the Saudis?

 $\underline{\ }$ 17. (C) Though post-Summit responses from Cairo and Riyadh have been prickly toward efforts to reconcile with Syria, Syrian officials are saying they are doing their best to avoid make the problem worse, assessed Ziad Haydar, a well-connected al-Safir journalist. Haydar cited the SARG's decision to forgo release of an ongoing investigation into the assassination of Hizballah's Imad Mugniyeh, out of a desire to avoid revealing the arrest of a Saudi suspect. (Note: Other contacts are saying Syria's motive for the delay is to extract a concession from the Saudis.) Another example, according to Hamidi, was the SARG's decision to ban

the distribution of the Lebanese daily "al Diyar," a Lebanese Syrian party publication printed in Syria, because of two op-eds by editor in chief Charles Ayoub criticizing Saudi policies in Lebanon. Reuters journalist Khaled Oweiss concurred with this assessment, adding that the absence of public remarks by Vice President Faruq al Shara'a was another indicator that the SARG was attempting to muzzle officials known for their hard line and anti-Saudi remarks.

Bashar Planning Regional Travel?

18. (C) Several media contacts have told us that President Asad is planning trips to the Gulf and North Africa in the coming months. Countries that sent heads of state representation to Damascus (Kuwait, Qatar, UAE, Tunis, and Algeria) would be likely be the priority stops, according to Hamidi, who hastened to add that planning was still in the preliminary stages. The pretext for these visits, according to Hamidi, would be to follow up Arab League Summit discussions.

SARG May Pushing More Constructive Line on Iraq

- 19. (C) Pointing to Syria's desire to host a session of the Iraqi Neighbors' Border Security Working Group before the April 22 ministerial neighbors' meeting in Kuwait, al-Taqi argued that Syria was ready to work constructively on Iraq. Both Charge and UK Ambassador heard Muallem's Office Director say that FM Muallem was focused on a positive and constructive approach on Iraq at the April 13-14 Border Security Working Group hosted by Damascus.
- ¶10. (C) Ironically, mused al-Taqi, the U.S. and Syrian governments have for the present ruled out expanded cooperation on Iraq even though conditions were ripe. Al-Taqi suggested that Syria sent a signal of its desire to engage by hosting a March 29-April 1 meeting between the U.S. NGO Search for Common Ground and a Syrian group of

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individuals close to the regime. Among other topics, al Taqi said, the two sides agreed that U.S. and Syria share a mutual interest in seeing a strong central Iraqi government capable of maintaining stability. In this respect, Syria and the U.S. have the same counter-terrorism goals, a shared desire to avoid a confessional system of government in Iraq, and a shared purpose in supporting Iraqi reconciliation. Not least, Iraq is perhaps the most important country in the region from the perspective of Syria's economy, insisted economic consultant Samir Sayfan, another Syrian who participated in talks with the Common Ground group. Al-Taqi and other Syrian participants reported the discussions reflected recognition by both sides that improved bilateral relations would require near-term steps in order to increase the prospects for more meaningful engagement.

No Signs of Cooperation on Lebanon

111. (C) Al-Taqi asserted that the lack of progress in Lebanon was the primary obstacle to better U.S.-Syrian relations. President al-Asad had offered during the Arab League Summit the idea that Syria was not prepared to intervene in Lebanon to influence Hizballah after so many countries had called on Syria to cease its intervention. Taking a slightly different tack, FM Muallim said quite candidly during a lunch with EU ambassadors after the Arab League Summit that either the Lebanese factions would have to

come to agreement or rapprochement would have to occur between Syria and Saudi Arabia. In the meantime, suggested al-Taqi, Syria's tactics would aim to neutralize any Arab efforts to pressure concessions from the March 8 minority. Up to now, he observed, Syria's approach had succeeded in avoiding an Arab League consensus in favor of electing a Lebanese President without agreement on how to divide government ministries. "For us, the significant cost of attempting to influence Hizballah's position require something in return," Hamidi told us. "The status quo may not be ideal, but efforts to pressure Syria have failed," he said.

## Recognition of the Costs?

112. (C) At the same time, there appears to be some recognition in the SARG that Syria's Lebanon policy may be costing Syria a great deal. Sayfan argued that the Syrian government had taken a minimalist approach to managing Syria's economy and now faced widespread unhappiness as Syrians began to feel the pinch of rising prices and the possibility of lower subsidies for key items, such as diesel. Being blamed for Hizballah's stand in Lebanon -- whether or not Syria had the will and capability to shape it -- was a major diplomatic liability as well, asserted al-Taqi. Correcting Syria's policies would be more than just a matter of Bashar ordering it, he maintained. The Syrian government, according to al-Taqi and a growing number of other plugged-in contacts, was preparing for a personnel shake-up that would remove impediments to allowing Bashar to exercise greater flexibility on Lebanon and other issues. A likely candidate for replacement, added al-Taqi, would be the President's brother-in-law Asif Shawkat, whose power was already on the wane. Rumors of his "house arrest" were untrue, but Bashar was nonetheless curtailing Shawkat's influence in order to "shake the roots" of regime elements that had not served Bashar or the country well, said al-Taqi.

## Palestinian Track Still Unclear

113. (C) Several contacts have argued that the SARG continues to look for openings to promote Hamas, but it nonetheless does so in a way that is not openly seeking to undermine the Palestinian Authority. According to Khaled Oweiss, Syria is not unique among Arab countries in its belief that Hamas and the Palestinian Authority need to reconcile before there can be a viable Israeli-Palestinian peace. President Asad has identified Syria as the keeper of the Arab resistance flame, which requires a good deal of

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support for Hamas and other Palestinian groups with headquarters here, observed Ziad Haydar separately. Supporting Hamas also reflects the Alawite regime's desire to find some common ground with the Sunni majority, according to Ibrahim Hamidi. Syria's support of Hamas' dialogue with U.S. interlocutors such as former President Carter promotes these equities, and demonstrates that U.S. attempts to bypass Syria will fail, argue many Syrians.

114. (C) Comment: More confident that U.S. efforts to isolate Syria are waning and the West will eventually engage Damascus out of a desire for a solution in Lebanon and the Palestinian track, Bashar's post-Arab League policies are markedly less confrontational than before. Bashar will likely seek to use post-Summit visits to the Gulf and North Africa as a way to highlight Syria's desire to play a constructive regional role. Despite this more "moderate" approach, we have seen very little evidence to indicate that Bashar is willing to consider concessions on Lebanon or the

Palestinian track that would represent a tangible step in the right direction. For now the conflict-averse Syrian regime appears content to wait out the situation in the Middle East.

CORBIN